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Trading Up

President Bush wasn't always the most principled free trader in his first term -- recall the 2002 farm bill and his tariffs on steel imports -- but we can only hope that his decisive reelection will allow him to become a more consistent champion of bringing down global trade barriers. This is one area where his administration's professed beliefs, if aggressively pursued, could advance American interests while also lessening resentment of American power.

By aggressively pursuing this agenda, we mean standing up to protectionists at home, which include not only Democratic-leaning unions but also powerful GOP constituencies like sugar and cotton barons. A Central American Free Trade Agreement, which Bush signed in May, is likely to be the first post election item on the legislative trade agenda. Bush should fight to ensure its ratification -- spending some of his cherished political capital, if necessary -- and the Democratic leadership should think twice before standing in his way. Not only is protectionism wrongheaded, it's a political loser.

The so-called CAFTA linking the U.S. market to Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica -- and a companion deal with the Dominican Republic -- would provide American exports with greater access to those countries. In return, it would offer those nations their best hope for raising their standards of living, and, as NAFTA did for Mexico, would help solidify economic reforms and bolster the rule of law in the region. As a political gesture, the trade deal would be a fitting tribute for a region that has come so far from the chaotic, often deadly, instability of 20 years ago.

Although they still face severe economic challenges, these Central American nations have made enormous social, economic and political progress. All five have democratically elected leaders. Their combined gross domestic product hovers around $80 billion, and in 2003, the two-way trade between these five nations and the United States was more than $23 billion, making Central America a bigger market for U.S. exports than Russia, India and Indonesia combined.

CAFTA is not a perfect free trade agreement. It unfairly protects the U.S. sugar industry by allowing for only a small increase in the current quota on sugar imports from the region. It's enough movement to infuriate the sugar lobby, but not enough to keep Americans from paying a higher price for the product. The administration's failure to win more access for Central American sugar growers also sends a signal that the United States favors free trade only for goods it can produce more cheaply. On textiles, the pact also includes unduly restrictive "rules of origin" provisions that force Central American apparel manufacturers to use North American materials.

Even with its flaws, this trade deal on balance deserves widespread support in Congress. Unfortunately, Democrats from John Kerry on down have expressed disingenuous reservations. They claim to support free trade in principle while calling for treaties with stronger labor and environmental protections. That is nothing but a politically correct-sounding form of protectionism.